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GAS UTILITY DISTRICT NO. ONE OF LIVINGSTON PARISH  
HOLDEN, LOUISIANA

FINANCIAL STATEMENTS, ADDITIONAL INFORMATION,  
INDEPENDENT AUDITORS' REPORT,  
AND OTHER REPORTS REQUIRED BY GOVERNMENTAL  
AUDITING STANDARDS

AS OF NOVEMBER 30, 2002 AND FOR THE YEAR THEN ENDED .

Under provisions of state law, this report is a public document. A copy of the report has been submitted to the entity and other appropriate public officials. The report is available for public inspection at the Baton Rouge office of the Legislative Auditor and, where appropriate, at the office of the parish clerk of court.

Release Date 5/14/03

**DEAN AND DEAN**  
CERTIFIED PUBLIC ACCOUNTANTS

GAS UTILITY DISTRICT NO. ONE OF LIVINGSTON PARISH  
HOLDEN, LOUISIANA

FINANCIAL STATEMENTS SCHEDULES AND  
INDEPENDENT AUDITORS' REPORT  
FOR THE YEAR ENDED NOVEMBER 30, 2002

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# DEAN AND DEAN

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# CERTIFIED PUBLIC ACCOUNTANTS

Donald A. Dean, CPA  
David P. Dean, CPA

## INDEPENDENT AUDITORS' REPORT

May 5, 2003

The Board of Commissioners  
Gas Utility District No. One  
of Livingston Parish  
Holden, Louisiana

We have audited the accompanying financial statements of Gas Utility District No. One of Livingston Parish a component unit of the Livingston Parish Police Jury, as of November 30, 2002 and for the year then ended. These component unit financial statements are the responsibility of the District's management. Our responsibility is to express an opinion on these financial statements based on our audit.

We conducted our audit in accordance with auditing standards generally accepted in the United States of America and generally accepted governmental auditing standards contained in the Governmental Auditing Standards - Standards for Audit of Governmental Organizations, Programs, Activities, and Functions, issued by the United States General Accounting Office. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the component unit financial statements are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial statement presentation. We believe that our audit provides a reasonable basis for our opinion.

In our opinion, the component unit financial statements referred to above present fairly, in all material respects, the financial position of Gas Utility District No. One of Livingston Parish as of November 30, 2002, and the results of its operations for the year then ended in conformity with accounting principles generally accepted in the United States of America.

In accordance with Government Auditing Standards, we have also issued our report dated May 5, 2003, on our consideration of Gas Utility District No. One of Livingston Parish's internal control over financial reporting and our tests of its compliance with certain provisions of laws, regulations, contracts and grants. That report is an integral part of an audit performed in accordance with Government Auditing Standards and should be read in conjunction with this report in considering the results of our audit.

Respectfully submitted,



Dean and Dean, CPA's

GAS UTILITY DISTRICT NO. ONE  
OF LIVINGSTON PARISH  
BALANCE SHEET  
NOVEMBER 30, 2002

ASSETS

CURRENT ASSETS:

Cash and Cash Equivalents	\$ 997,751
Accounts Receivable	51,533
Inventory	8,383
Interest Receivable	<u>15,225</u>

TOTAL CURRENT ASSETS 1,072,892

RESTRICTED ASSETS

Cash and Cash Equivalents	76,492
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OTHER ASSETS 50

PLANT AND EQUIPMENT 183,971

TOTAL ASSETS \$ 1,333,405

LIABILITIES AND FUND EQUITY

LIABILITIES:

Current Liabilities:	
Accounts Payable	\$ 31,490

Payable from Restricted Assets -	
Customers' Meter Deposits	<u>76,492</u>

TOTAL LIABILITIES 107,982

FUND EQUITY:

Retained Earnings:	
Unreserved Undesignated	<u>1,225,423</u>

TOTAL FUND EQUITY 1,225,423

TOTAL LIABILITIES AND FUND EQUITY \$ 1,333,405

The accompanying notes are an integral part of these statements.

GAS UTILITY DISTRICT NO. ONE  
 OF LIVINGSTON PARISH  
 STATEMENT OF REVENUES,EXPENSES,  
 AND CHANGES IN RETAINED EARNINGS  
 FOR THE YEAR ENDED NOVEMBER 30, 2002

OPERATING REVENUES:

Gas Sales	\$ 596,966
Other Charges	<u>16,847</u>

TOTAL OPERATING REVENUES	<u>613,813</u>
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OPERATING EXPENSES:

Gas Purchased	287,244
Management Fees	95,171
Professional Services	21,300
Depreciation	15,930
Repairs and Maintenance	78,216
Commissioners Per Diem	16,575
Insurance	5,908
Utilities	2,135
Travel and Seminars	1,159
Other	<u>425</u>

TOTAL OPERATING EXPENSES	<u>524,063</u>
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OPERATING INCOME (LOSS)	89,750
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NON OPERATING REVENUES (EXPENSES)

Interest Income	<u>32,838</u>
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NET INCOME	122,588
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RETAINED EARNINGS, BEGINNING	<u>1,102,835</u>
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RETAINED EARNINGS, ENDING	<u>\$ 1,225,423</u>
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The accompanying notes are an integral part of these statements.

GAS UTILITY DISTRICT NO. ONE  
 OF LIVINGSTON PARISH  
 STATEMENT OF CASH FLOWS  
 FOR THE YEAR ENDED NOVEMBER 30, 2002

CASH FLOWS FROM OPERATING ACTIVITIES

Net Income (Loss) from Operating Activities	\$ 89,750
Adjustments to Reconcile Net Income from Operating Activities to Net Cash Provided by Operating Activities	
Depreciation	15,930
Increase in Accounts Receivable	(5,516)
Decrease in inventory	3,638
Decrease in Accounts Payable	(2,549)
Increase in Customer Meter Deposits	<u>3,583</u>
Net Cash Provided by Operating Activities	<u>104,836</u>

CASH FLOWS FROM INVESTING ACTIVITIES

Fixed Asset Purchases	(5,000)
Interest Received	<u>25,320</u>
Net Cash Provided by Investing Activities	<u>20,320</u>

DECREASE IN CASH AND CASH EQUIVALENTS 125,156

CASH AND CASH EQUIVALENTS AT BEGINNING OF YEAR 949,087

CASH AND CASH EQUIVALENTS AT END OF YEAR \$ 1,074,243

The accompanying notes are an integral part of these statements.

GAS UTILITY DISTRICT NO. ONE  
OF LIVINGSTON PARISH  
NOTES TO FINANCIAL STATEMENTS  
NOVEMBER 30, 2002

A. THE UTILITY DISTRICT

Gas Utility District No. One of Livingston Parish (The District) was created November 10, 1961 by the Livingston Parish Police Jury, under Act 415 of the Acts of Louisiana for 1960 (Sec. 4301, et seq. of Title 33, La. Rev. Stat.). The District operates under a Board of Commissioners appointed by the Livingston Parish Police Jury. The District is the responsibility of the Livingston Parish Police Jury. The accompanying financial statements reflect only the financial activity of the District. Amounts included in these financial statements are also included in the Livingston Parish Police Jury's annual general purpose financial statements.

B. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

Basis of Presentation

The accompanying financial statements have been prepared using the accrual basis of accounting. This basis of accounting recognizes revenues in the accounting period in which they are earned and expenses in the accounting period in which they are incurred.

Depreciation

Depreciation of the plant and equipment has been provided in the accompanying financial statements using the straight-line method based on the expected useful lives of the components ranging from seven to thirty-three years.

Cash Equivalents

Cash Equivalents are considered to be all highly liquid investments with a maturity of three months or less when purchased. Under state law, the District may deposit funds in demand deposit accounts, interest bearing demand deposit accounts, money market accounts and certificates of deposit with state banks organized under Louisiana law and national banks having their principal offices in Louisiana.

Inventory

The District's only inventory is of Gas. Generally, the District purchases inventory gas in September or October before gas prices begin to rise in the winter. The inventory gas is used during the cold months when gas prices are highest and generally used up by the end of March. The District's gas inventory is recorded at lower of cost or market on a first-in, first-out basis.



GAS UTILITY DISTRICT NO. ONE  
OF LIVINGSTON PARISH  
HOLDEN, LOUISIANA  
NOTES TO FINANCIAL STATEMENTS  
NOVEMBER 30, 2002

Estimates

The preparation of financial statements in conformity with generally accepted accounting principles requires management to make estimates and assumptions that affect certain reported amounts and disclosures. Accordingly, actual results could differ from those estimates.

C. CASH AND CASH EQUIVALENTS

At November 30, 2002, the District had cash and cash equivalents of \$1,074,243, as follows:

Interest bearing demand accounts	\$ 193,794
Savings accounts	53,683
Certificates of Deposit	<u>826,766</u>
	<u>\$1,074,243</u>

These deposits are stated at cost, which approximates market. Under state law, these deposits (or the resulting bank balances) must be secured by federal deposit insurance or the pledge of securities owned by the fiscal agent bank. The market value of the pledged securities plus the federal deposit insurance must at all times equal the amount on deposit with the fiscal agent bank. These securities are held in the name of the pledging fiscal agent bank in a holding or custodial bank that is mutually acceptable to both parties (GASB Category 3).

At November 30, 2002, the District's deposits were secured by \$300,000 of Federal Deposit Insurance and \$774,243 of pledged securities.

Even though the pledged securities are considered uncollateralized under the provisions of GASB Statement 3, Louisiana Revised Statute 39:1229 imposes a statutory requirement on the custodial bank to advertise and sell the pledged securities within 10 days of being notified by the Sheriff that the fiscal agent has failed to pay deposited funds upon demand.

D. RESTRICTED ASSETS

At November 30, 2002, restricted assets were held in certificates of deposit and consisted of customers' meter deposits totaling \$76,492.



GAS UTILITY DISTRICT NO. ONE  
 OF LIVINGSTON PARISH  
 HOLDEN, LOUISIANA  
 NOTES TO FINANCIAL STATEMENTS  
 NOVEMBER 30, 2002

E. PLANT AND EQUIPMENT

Plant and equipment at November 30, 2002 is summarized as follows:

	<u>2001</u>	<u>Additions</u>	<u>Disposals</u>	<u>2002</u>
Utility Plant	\$ 823,350	\$ 5,000	-0-	\$ 828,350
Equipment and Meters	<u>61,193</u>	<u>-0-</u>	<u>-0-</u>	<u>61,193</u>
	884,543	5,000	-0-	889,543
Less Accumulated Depreciation	<u>(689,642)</u>	<u>(15,930)</u>	<u>-0-</u>	<u>(705,572)</u>
Net Plant and Equipment	<u>\$ 194,901</u>	<u>\$(10,930)</u>	<u>\$ -0-</u>	<u>\$ 183,971</u>

F. RISK MANAGEMENT

The District carries commercial insurance for its only major categories of risk which are property and general liability. There have been no significant reductions in insurance coverage for the current year. Settlement amounts have not exceeded insurance coverage for the current year or the three prior years.

# DEAN AND DEAN

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# CERTIFIED PUBLIC ACCOUNTANTS

Donald A. Dean, CPA  
David P. Dean, CPA

## INDEPENDENT AUDITORS' REPORT ON ADDITIONAL INFORMATION

May 5, 2003

The Board of Commissioners  
Gas Utility District No. One  
of Livingston Parish  
Holden, Louisiana 70744

Our audit was conducted for the purpose of forming an opinion on the financial statements taken as a whole. The accompanying supplemental data is presented for purposes of additional analysis and is not a required part of the financial statements. The information has been subjected to the auditing procedures applied in the audit of the financial statements and, in our opinion, is fairly stated in all material respects in relation to the financial statements taken as a whole.



Dean and Dean, CPA's

Gas Utility District No. One of Livingston Parish

Holden, Louisiana

Supplemental Data

November 30, 2002

GAS UTILITY DISTRICT NO. ONE  
OF LIVINGSTON PARISH  
STATISTICAL DATA  
FOR THE YEAR ENDED NOVEMBER 30, 2002

	<u>Amount</u>	<u>MCF</u>
GAS SALES BILLED	<u>\$ 596,966</u>	47,190
GAS PURCHASED	<u>\$ 287,244</u>	<u>59,719</u>
DIFFERENCE IN MCFs		<u>(12,529)</u>
Number of Customers, November 30, 2002		<u>845</u>
Average Monthly Customers for Year		<u>834</u>
SALES:		
Average Per Customer Per Year		<u>\$ 612</u>
Average Per Customer Per Month		<u>\$ 51</u>

SCHEDULE OF RATES:

1st half MCF Per Month (Min)	13.14
Over half MCF Per Month, Per MCF	6.00 plus cost of gas

PER DIEM PAYMENTS TO BOARD MEMBERS:

	<u>For Meetings</u>		<u>For Days Worked</u>	
	<u>No. of</u>		<u>No. of</u>	
	<u>Meetings</u>	<u>Amount</u>	<u>Days</u>	<u>Amount</u>
Wilbert Hutchinson	28	\$ 2,100	15	\$ 1,125
John Hellmers	28	2,100	16	1,200
Johnny Johnson	27	2,025	27	2,025
Joseph Recile	28	2,100	2	150
Douglas Dean	26	<u>1,950</u>	24	<u>1,800</u>
		<u>\$ 10,275</u>		<u>\$ 6,300</u>

OTHER REPORTS REQUIRED BY  
GOVERNMENT AUDITING STANDARDS

The following pages contain reports on internal control structure and compliance with laws and regulations required by Government Auditing Standards, issued by the Comptroller General of the United States. The report on internal control structure is based solely on the audit of the financial statements and includes, where appropriate, any reportable conditions and/or material weaknesses. The report on compliance with laws and regulations is, likewise, based solely on the audit of the presented financial statements and presents, where applicable, compliance matters that would be material to the presented financial statements.

Independent Auditor's Report on Compliance and on Internal  
Control Over Financial Reporting Based on an Audit of  
Financial Statements Performed in Accordance  
with Government Auditing Standards

May 5, 2003

The Board of Commissioners  
Gas Utility District No. One of Livingston Parish  
Holden, Louisiana

We have audited the accompanying component unit financial statements of the Gas Utility District No. One of Livingston Parish as of and for the year ended November 30, 2002, and have issued our report thereon dated May 5, 2003. We conducted our audit in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in Government Auditing Standards, issued by the Comptroller General of the United States.

Compliance

As part of obtaining reasonable assurance about whether the financial statements are free of material misstatement, we performed tests of the District's compliance with certain provisions of laws, regulations, contracts and grants, noncompliance with which could have a direct and material effect on the determination of financial statement amounts. However, providing an opinion on compliance with those provisions was not an objective of our audit and, accordingly, we do not express such an opinion. The results of our tests disclosed no instances of noncompliance that are required to be reported under Government Auditing Standards.

Internal Control Over Financial Reporting

In planning and performing our audit, we considered the District's internal control over financial reporting in order to determine our auditing procedures for the purpose of expressing our opinion on the financial statements and not to provide assurance on the internal control over financial reporting.

Our consideration of the internal control over financial reporting would not necessarily disclose all matters in the internal control over financial reporting that might be material weaknesses.

The Board of Commissioners  
May 5, 2003

A material weakness is a condition in which the design or operation of one or more of the internal control components does not reduce to a relatively low level the risk that misstatements in amounts that would be material in relation to the financial statements being audited may occur and not be detected within a timely period by employees in the normal course of performing their assigned functions. We noted no matters involving the internal control over financial reporting and its operation that we consider to be material weaknesses.

This report is intended for the District, management, and the Louisiana Legislative Auditor. However, this report is a matter of public record and its distribution is not limited.

Respectfully submitted,

A handwritten signature in black ink, consisting of several overlapping loops and a long horizontal stroke at the end, representing the names Dean and Dean.

Dean and Dean, CPAs